

LOUISE LAKE PROPERTY OPTION AGREEMENT

THIS AGREEMENT is made as of July 8, 2019 (the "**Effective Date**"),

AMONG:

BRIAN WILLIAM SCOTT, a prospector, with an address at *[Address redacted for confidentiality reasons]*

("B. Scott")

AND:

STEVEN JEFFREY SCOTT, a prospector, with an address at *[Address redacted for confidentiality reasons]*

("S. Scott"; together with B. Scott, the "**Optionors**")

AND:

79 RESOURCES LTD., a company existing under the laws of the Province of British Columbia, having an office at Suite 600 – 625 Howe Street, Vancouver, British Columbia, V6C 2T6

(the "**Optionee**")

WHEREAS:

- A. The Optionors are the sole recorded and beneficial owners of the mineral claims that comprise the Property (as defined herein); and
- B. The Optionors wish to grant to the Optionee, and the Optionee wishes to receive, the right and option to acquire a 75% undivided interest in and to the Property, subject to the reservation of a 2% net smelter returns royalty, on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants and conditions set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In addition to the terms defined throughout this Agreement, the following capitalized words and phrases shall have the following meanings:

- (a) "**Affiliate**" has the meaning ascribed to that term in the *Business Corporations Act* (British Columbia);
- (b) "**Business Day**" means a day that is not a Saturday, Sunday, public holiday or bank holiday in Vancouver, British Columbia;

- (c) "**Commencement of Commercial Production**" means the first day after the Property has been in Commercial Production for at least thirty (30) consecutive days;
- (d) "**Commercial Production**" means the operation of the Property or any portion thereof as a producing mine and the production of mineral products therefrom, excluding bulk sampling, pilot plant or test operations;
- (e) "**Consideration Shares**" means common shares in the capital of the Optionee to be issued by the Optionee to the Optionor as provided by Sections 3.2(a) and 3.3(a);
- (f) "**Earned Interest**" means the undivided legal and beneficial interest in a Property acquired by the Optionee upon exercise of the First Option or the Second Option, as applicable, pursuant to the provisions hereof;
- (g) "**Effective Date**" means the date of this Agreement as set out on the cover page of this Agreement;
- (h) "**Environmental Laws**" means all requirements of the common law, civil code, or of environmental, health or safety statutes of any agency, board or Governmental Entity including, but not limited to, those relating to noise; pollution or protection of the air, surface water, ground water or land; solid, gaseous or liquid waste generation, handling, treatment storage, disposal or transportation; exposure to hazardous or toxic substances; or the closure, decommissioning, dismantling or abandonment of any facilities, mines or workings and the reclamation or restoration of lands;
- (i) "**Exchange**" means the Canadian Securities Exchange or any other stock exchange on which the Optionee's securities are listed, from time to time;
- (j) "**Expenditures**" means all paid-up costs, expenses, obligations and liabilities of whatever kind or nature spent or incurred directly or indirectly by the Optionee, including monies expended in connection with:
 - (i) maintaining the Property in good standing and fulfilling any of the requirements of any title documents, permits or applicable mining laws in British Columbia with respect to the Property, including the costs of any discussions or negotiations with governmental authorities in connection therewith;
 - (ii) mobilization and de-mobilization of work crews, supplies, facilities and equipment to and from the Property, including all transportation, insurance, customs brokerage and import and export taxes, fees and charges and all other governmental levies in connection therewith;
 - (iii) in the preparation of work programs and the presentation and reporting of data and other results thereof including any program for the preparation of a feasibility study or other evaluation of the Property;
 - (iv) implementing and carrying out any program of surface or underground prospecting, exploring or mapping or of geological, geophysical or geochemical surveying;
 - (v) in doing (A) geophysical and geological surveys trenching or other surface or near surface sampling; (B) reverse circulation, diamond or other drilling; (C) drifting, raising or other underground work; and (D) assaying and metallurgical testing and other tests and analyses to determine the quantity and quality of minerals and other materials, metals or substances;

- (vi) carrying out environmental studies and preparing environmental impact assessment reports;
 - (vii) carrying out all required restoration and reclamation of the Property required as a result of activities thereon hereunder;
 - (viii) preparing and making submissions to government agencies with respect to substitute or successor title to any of the Property and test and production permits;
 - (ix) acquiring, constructing and transporting facilities; and
 - (x) fees, wages, salaries, traveling expenses and reasonable fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Property and the food, lodging and other reasonable needs of such persons;
- (k) "**First Option**" has the meaning ascribed thereto in Section 3.1(a);
- (l) "**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the above; (iii) any securities commission or stock exchange; and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;
- (m) "**Option**" means the option granted to the Optionee to acquire up to a 75% undivided interest in a Property, as provided in Article 3;
- (n) "**Option Period**" means the period during which the Option remains in effect commencing on the Effective Date;
- (o) "**parties**" means the Optionee and the Optionors and "**party**" means either of them;
- (p) "**person**" includes a natural person, partnership, body corporate, joint venture, association, governmental or local authority, or agency or other entity;
- (q) "**Property**" those mineral claims that comprise the Louis Lake molybdenum-copper property located in the Smithers area, north-central British Columbia, Omineca Mining Division, as more particularly described in Schedule "A" hereto, together with the surface rights, mineral rights, personal property and permits associated therewith, and shall include any renewal thereof and any other form of successor or substitute title thereto;
- (r) "**Royalty**" means the 2% net smelter returns royalty retained by the Optionors upon the exercise of the Option relating to all of the mining claims comprising the Property calculated and paid in accordance with Schedule "B" hereto;
- (s) "**Second Option**" has the meaning ascribed thereto in Section 3.1(b); and
- (t) "**Shares**" means the common shares in the capital of the Optionee.

1.2 Interpretation

In this Agreement, except where the context otherwise requires:

- (a) the headings to the sections, subsections or clauses of this Agreement are inserted for convenience only and are not intended to affect the construction hereof;
- (b) a reference to a numbered or lettered section, subsection, clause or schedule refers to the section, subsection, clause or schedule bearing that number or letter in this Agreement, and a reference to "this Agreement", "hereof", "hereunder", "herein" or words of similar meaning means this Agreement including the schedules hereto, together with any amendments thereof;
- (c) a reference to a mineral property means the mineral property referred to and includes any other mineral property applied for, created or granted by way of conversion, reversion or substitution over a greater or lesser area from time to time or effecting any addition, amendment, extension or variation to that mineral property;
- (d) all references to currency are to Canadian dollars;
- (e) a reference to a party is to a party to this Agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (f) a reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations;
- (g) where any representation or warranty is expressly qualified by reference to the knowledge of a party, such party shall have made due and diligent inquiry of such persons (including appropriate officers of the party) as it considers necessary regarding the matters that are the subject of the representation or warranty;
- (h) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa; and
- (i) a reference to the other party shall mean the Optionee, in respect of either or both of the Optionors, and either or both of the Optionors, in respect of the Optionee.

1.3 Schedules

The following schedules are attached to and incorporated in this Agreement by this reference:

Schedule "A"	Description of the Property
Schedule "B"	Net Smelter Returns Royalty

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Optionors

Each Optionor, jointly and severally, represents and warrants to the Optionee that:

- (a) he has full legal power, capacity and authority to enter into this Agreement and any agreement or instrument referred to in or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder, and under the laws of British Columbia, is legally entitled to hold the Property and all mineral claims comprised therein;
- (b) he has duly obtained all consents and authorizations (except as specifically provided for herein) which may be required for the execution of this Agreement and for the performance of this

Agreement by him, and the consummation of the transaction herein contemplated shall not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any liens, charges and encumbrances under the provisions of any indenture, agreement or other instrument whatsoever to which the Optionor is a party or by which it is bound or to which he may be subject;

- (c) he has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of the Optionee, enforceable against him in accordance with the Agreement's terms, except where such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to equitable remedies that may be granted in the discretion of a court of competent jurisdiction;
- (d) no proceedings are pending and he is not aware of any basis for the institution of any proceedings leading to the placing of such party into bankruptcy or subject to any other laws governing the affairs of insolvent persons;
- (e) the Optionors are and, at the time of each transfer to the Optionee of an interest in the mineral claims comprising the Property, the Optionors shall be the sole legal and beneficial owners of all of the claims comprising the Property, free and clear of all any liens, charges and encumbrances of third parties and no taxes or rentals are due in respect of any thereof;
- (f) the Optionors, collectively, hold a 100% undivided legal and beneficial interest in and to the Property and are the recorded holders of the Property;
- (g) the mineral claims comprising the Property have been duly and validly located and recorded pursuant to the *Mineral Tenure Act* (British Columbia), and are in good standing in the office of the Mining Recorder on the Effective Date and until the dates set opposite the respective names thereof in Schedule "A";
- (h) there is no adverse claim or challenge against or to the ownership of or title to the Property, nor to the knowledge of the Optionor after due inquiry is any of the foregoing pending or threatened nor is there any basis therefor, and there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof or any interest therein, and no person has any royalty or other interest whatsoever in production from any portion of the Property;
- (i) there is no outstanding directive, order or similar notice issued by any Governmental Entity, including agencies responsible for environmental matters, affecting the Property or the Optionor nor to the knowledge of the Optionor after due inquiry is there any basis therefor or any reason to believe that such an order, directive or similar notice is pending;
- (j) all work carried out on the Property by or under the direction of the Optionors has been done in full compliance with all applicable laws and regulations (including Environmental Laws) and he has no reason to believe that all prior work carried out on the Property by third parties has not been done in full compliance with all applicable laws and regulations and there are no environmental conditions existing on the Property to which any material remedial action is required or any material liability has or may be imposed under applicable Environmental Laws;
- (k) to his knowledge, the Property does not lie within any protected area, rescued area, reserve, reservation, reserved area or special needs lands as designated by any governmental authority having jurisdiction, that would materially impair the development of a mining project on such land;

- (l) to his knowledge, there are no outstanding work orders or, to its knowledge, actions required to be taken relating to environmental matters respecting the Property or any operations carried out on the Property;
- (m) to his knowledge, no toxic or hazardous substance or waste has been treated on or is now stored on the Property, and there has been no material spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened release of any kind, of any toxic or hazardous substance or waste (as defined by any applicable law) from, on, in or under the Property or into the environment, except releases permitted or otherwise authorized by such law; and
- (n) to his knowledge, there are no pending or ongoing actions taken by or on behalf of any native or indigenous persons pursuant to the assertion of any land claims with respect to lands included in the Property.

2.2 Representations and Warranties of Optionee

The Optionee represents and warrants to the Optionors that:

- (a) the Optionee is not a reporting issuer in any jurisdiction of Canada and its common shares are not presently listed and posted for trading on any stock exchange;
- (b) no consent or approval of any Governmental Entity is required for the execution, delivery or performance of this Agreement by the Optionee or the transfer or acquisition of any interest in the Property;
- (c) the Optionee shall reserve or set aside sufficient Shares in its treasury to issue the Consideration Shares contemplated by Section 3.1, and the Shares shall, at the time of issuance, be issued in accordance with applicable securities laws and shall be duly authorized and validly allotted and issued as fully paid and non-assessable, free of any any liens, charges and encumbrances; and
- (d) to the knowledge of the Optionee there is no fact or circumstance which has not been disclosed to the Optionors which would render any of the foregoing representations and warranties untrue, incomplete or otherwise misleading.

2.3 Knowledge

- (a) For the purposes of Section 2.1, each Optionor will be deemed to have "knowledge" of a particular fact or other matter if, after due inquiry (i) that individual is actually aware of that fact or matter; or (ii) that fact or matter comes to the attention of that individual under circumstances in which a reasonable person would take cognizance of it.
- (b) For the purposes of Section 2.2, the knowledge of the Optionee shall mean the knowledge of the CEO of the Optionee if, after due inquiry (i) that individual is actually aware of that fact or matter; or (ii) that fact or matter comes to the attention of that individual under circumstances in which a reasonable person would take cognizance of it.

2.4 Survival of Representations and Warranties

The representations, warranties and covenants contained in this Agreement are conditions on which the parties have relied in entering into this Agreement and shall survive the execution hereof and the acquisition of any interest in the Property by the Optionee. Each party shall indemnify and save the other harmless from all losses, damages, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement.

A party may waive the breach of any of such representations, warranties, covenants, agreements or conditions in whole or in part at any time without prejudice of its right in respect of any other breach of the same or any other representation, warranty, covenant, agreement or condition.

ARTICLE 3 OPTION

3.1 Grant of Option

The Optionors hereby grant to the Optionee the sole and exclusive right and option, subject to the provisions of this Agreement, to acquire in two stages up to a 75% undivided legal and beneficial interest in and to the Property, free and clear of all any liens, charges and encumbrances, but subject to payment of the Royalty, as follows:

- (a) the sole and exclusive right and option (the "**First Option**") to acquire a 51% undivided legal and beneficial interest in and to the Property, free and clear of all any liens, charges and encumbrances, but subject to payment of the Royalty; and
- (b) the sole and exclusive right and option (the "**Second Option**"), subject to the provisions of this Agreement, to acquire an additional 24% (for an aggregate of 75%) undivided legal and beneficial interest in and to the Property, free and clear of all liens, charges and encumbrances, but subject to payment of the Royalty.

3.2 Exercise of First Option

- (a) The First Option is exercisable by the Optionee:
 - (i) paying an aggregate of \$5,000 to the Optionors upon the execution and delivery of this Agreement by the parties; and
 - (ii) allotting and issuing to the Optionors an aggregate of 100,000 Consideration Shares at a deemed issuance price of \$0.02 per Consideration Share upon the execution and delivery of this Agreement by the parties.
- (b) Upon satisfaction of the conditions set out in Section 3.2(a), the First Option shall be deemed to be exercised, and an undivided 51% right, title and interest in and the Property automatically vest in the Optionee and the Optionors shall promptly register the Earned Interest in the Property in the name of the Optionee in accordance with Section 4.3, with the applicable fees and costs to be borne by the Optionee.

3.3 Exercise of Second Option

- (a) The Second Option is exercisable by the Optionee: (i) paying an aggregate of \$10,000 to the Optionors; (ii) allotting and issuing an aggregate of 100,000 Consideration Shares to the Optionors; and (iii) incurring an aggregate of \$225,000 worth of Expenditures on the Property as follows:
 - (i) the Optionee paying to the Optionors an aggregate of \$10,000 on or before the first anniversary of the Effective Date;
 - (ii) the Optionee allotting and issuing to the Optionors an aggregate of 100,000 Consideration Shares on or before the first anniversary of the initial listing of the Shares on the Exchange at a deemed issuance price equal to then market price of the Shares; and

- (iii) the Optionee incurring Expenditures on the Property as follows:
 - (A) \$75,000 on or before the first anniversary of the Effective Date; and
 - (B) \$150,000 on or before the first anniversary of the initial listing of the Shares on the Exchange.
- (b) Upon satisfaction of the conditions set out in Section 3.3(a), the Second Option shall be deemed to be exercised, and an additional undivided 24% right, title and interest in and to the Property shall automatically vest in the Optionee, such that the Optionee shall hold an undivided 75% right, title and interest in and to the Property, and the Optionors shall promptly register the Earned Interest in the Property in the name of the Optionee in accordance with Section 4.3, with the applicable fees and costs to be borne by the Optionee.

3.4 Adjustments to Consideration Shares

If at any time while either of the First Option or the Second Option remains in effect and unexercised, the Optionee shall effect (i) a share consolidation or (ii) an exchange of securities, merger, amalgamation, arrangement or other similar business combination with another entity, then the number of Consideration Shares which the Optionors are entitled to receive pursuant to Sections 3.2(a) and 3.3(a) shall be adjusted accordingly in order to reflect the event or transaction so that Optionors are entitled to receive the same number of Consideration Shares on an adjusted basis as they would have been entitled to receive had the event or transaction not occurred.

3.5 Resale Restrictions

Each of the Optionors acknowledges and agrees that the Consideration Shares are being issued in accordance with an exemption from the prospectus and registration requirements of applicable securities legislation, and that the Consideration Shares shall be subject to such resale restrictions and hold periods as may be imposed by applicable securities legislation, including National Instrument 45-102 *Resale of Securities* of the Canadian Securities Administrators and the policies of the Exchange.

3.6 Acceleration; Excess Expenditures

The cash payments, share issuances and the Expenditures set forth in Sections 3.2(a) and 3.3(a) may be completed within a shorter time frame at the sole discretion of the Optionee, and any excess Expenditures incurred in any period in excess of the amount required under Section 3.3(a)(iii) shall be credited to the Optionee and applied against future Expenditure requirements in subsequent periods.

ARTICLE 4 RIGHTS AND OBLIGATIONS DURING OPTION PERIOD

4.1 Right of Entry of Optionee

During the Option Period, the Optionee and its directors, officers, employees, agents and independent contractors shall have the sole and exclusive right in respect of the Property to:

- (a) enter thereon;
- (b) have exclusive and quiet possession thereof;
- (c) do such prospecting, exploration, development and/or other mining work thereon and thereunder as the Optionee in its sole discretion may determine advisable;

- (d) bring upon and erect upon the Property buildings, plant, machinery and equipment as the Optionee may deem advisable; and
- (e) remove therefrom and dispose of reasonable quantities of ores, minerals and metals for the purpose of obtaining assays or making other tests.

4.2 Obligations of Optionee

During the Option Period, the Optionee shall:

- (a) pay such costs as are required to maintain in good standing those mineral claims comprising the Property that are in good standing on the Effective Date by the doing and filing for credit of all assessment eligible expenditures completed on the Property or the making of payments in lieu thereof, by the payment of taxes and rentals and the performance of all other actions which may be necessary in that regard and in order to keep such mineral claims free and clear of all liens, charges and encumbrances arising from the exploration activities undertaken hereunder, except those at the time contested in good faith by the Optionee;
- (b) permit the directors, officers, employees and designated consultants of the Optionors, at their own risk and cost, reasonable access to the Property and to all technical records, other factual and engineering data and all financial records relating to the Property which is in the possession of the Optionee at all reasonable times, subject to Article 10;
- (c) while exploration and development is carried out, furnish the Optionors with a final report within ninety (90) days following the conclusion of each program. The final report shall show the exploration and development performed and the results obtained and shall be accompanied by a statement of costs and copies of pertinent plans, assay maps, diamond drill records and other factual engineering data. All information and data concerning or derived from the exploration and development shall be kept confidential, except as permitted under Article 10;
- (d) deliver to the Optionors on or before March 30th in each year during the Option Period, a report (including up to date maps if there are any) describing the results of work done in the last completed calendar year, together with reasonable details of Expenditures made;
- (e) do all work on the Property in a good and workmanlike fashion and in accordance with all applicable laws, regulations, orders and ordinances of any governmental authority;
- (f) indemnify and save the Optionors harmless in respect of any and all reasonably foreseeable costs, claims, liabilities and expenses arising out of the Optionee's gross negligence or wilful misconduct in respect of its activities on the Property during the Option Period and, without limiting the generality of the foregoing, the Optionee shall obtain and maintain, and cause any contractor or subcontractor to obtain and maintain adequate general liability insurance in accordance with the business practices prevailing in the junior mining industry in Canada during any period in which active work is carried out on the Property; provided that the Optionee shall incur no obligation thereunder in respect of claims arising or damages suffered after termination of the Option if upon termination of the Option any workings or improvements to the Property made by the Optionee are left in a safe condition;
- (g) deliver to the Optionors forthwith after receipt by the Optionee material data and results, assay results for samples taken from the Property, together with reports showing the location from which the samples were taken and the type of samples; and

- (h) meet with the Optionors in British Columbia as and in a location reasonably requested by the Optionors once per year during the Option Period to discuss and review the status of exploration and Expenditures, provided that such meetings do not reasonably interfere with the activities of the Optionee hereunder.

4.3 Registered Title

The Optionors shall remain the sole recorded holders of the mineral claims comprising the Property as of the Effective Date until the exercise of the First Option. Upon the Optionee acquiring an Earned Interest in the Property, the Optionors shall, as soon as practicable, and in any event within five (5) days thereafter, register the Optionee's Earned Interest and complete such transfer of the interest from the Optionors to the Optionee, and the Optionee shall become a recorded holder of such Earned Interest. Each Optionor or the Optionee, to the extent that it is the recorded holder of any Mineral Claims comprising the Property, shall hold title to the Property subject to this Agreement.

4.4 Abandonment of Claims

The Optionee may at any time, elect to abandon any one or more of the mineral claims comprised in the Property by giving written notice to the Optionors of such intention; provided that any claims so abandoned shall have at least two (2) years before any further assessment work is due to keep such Mineral Claim in good standing. Following such notice of abandonment under this Section 4.4, the mineral claims so transferred or abandoned shall thereafter cease to form part of the Property and shall no longer be subject to this Agreement, except with respect to any obligations or liabilities of the parties as have accrued to the date of such transfer or abandonment and subject to performing any reclamation on the abandoned mineral claims or providing a bond to provide for future payment of such reclamation requirements.

4.5 Obligations of Optionors

During the Option Period, in addition to the covenants set forth elsewhere in this Agreement, each Optionor shall:

- (a) not do any act or thing which would or might in any way adversely affect the rights of the Optionee hereunder to earn an undivided 75% interest in and to the Property;
- (b) not relinquish or abandon all or any part of its interest in the Property;
- (c) not mortgage, pledge or encumber the Property after the Effective Date without the Optionee's prior written consent, which consent shall not be unreasonably withheld; and
- (d) promptly make available to the Optionee and its representatives, during normal business hours, all reports, records, data, maps, information, accounts and files in the possession of the Optionor relating to the Property, and permit the Optionee and its representatives to take abstracts therefrom and make copies thereof at their own expense.

ARTICLE 5 TERMINATION OF OPTION

5.1 Termination by Optionors

- (a) If at any time the Optionee does not make any cash payment, issue Consideration Shares or incur the Expenditures in the amounts and within the time periods provided by Sections 3.2(a) and 3.3(a), then (i) this Agreement and the Option shall automatically terminate (without notice of default or termination from the Optionors), if the aforesaid breach is not cured within 14 days after the time

provided for the performance of same in Sections 3.2(a) and 3.3(a); and (ii) the Optionee shall immediately transfer all of its right, title and interest in and to the Property (including, if applicable, the 51% Earned Interest arising in respect of the exercise of the First Option) free and clear of all liens, charges and encumbrances to the Optionors.

- (b) Notwithstanding any other provision of this Agreement, if the Optionors, acting in good faith, have commercially reasonable grounds to believe that the prospect of payment or performance of the Second Option is, or is about to be, materially impaired or that the Property is, or is about to be, placed in jeopardy, the Optionors shall have the right to repurchase the 51% Earned Interest arising in respect of the exercise of the First Option, free and clear of all liens, charges, encumbrances and claims, by making payment to the Optionee in the amount of \$1.00.

5.2 Termination by Optionee

- (a) Notwithstanding any other provision of this Agreement, and provided that the Optionee shall have made the cash payment and Consideration Share issuance due on the Effective Date pursuant to Section 3.2(a)(i), the Optionee may elect at any time to terminate the Option by giving thirty (30) calendar days' advance written notice to that effect to the Optionors, in which event the Optionee shall have no further obligations to the Optionors hereunder, save and except as set forth in Article 10, and Article 11 and Section 5.3.
- (b) If the Option is terminated prior to the exercise to the Second Option, then the Optionee shall retain no interest in the Property, including any Earned Interest in the Property arising through the exercise of the First Option, which shall revert to the Optionors,

5.3 Events on Termination by Optionee

If the Option is terminated by the Optionee prior to the exercise of the First Option, then the Optionee shall:

- (a) ensure that the mineral claims comprising the Property that are in good standing on the Effective Date and any other mineral claims comprised in the Property that arise because of this Agreement after the Effective Date are left in good standing for a period of at least twelve (12) months from the date of termination;
- (b) deliver at no cost to the Optionors within sixty (60) days of the date of termination all copies of all reports, maps, assay results and other relevant technical data compiled by or in the possession of the Optionee with respect to the Property and not theretofore furnished to the Optionors;
- (c) to remove from the Property within six (6) months from the date of termination of the Option all buildings, plant, equipment, machinery, tools, appliances and supplies which have been brought upon the Property; and
- (d) perform or secure the performance of all reclamation and environmental rehabilitation on the Property as may be required by all applicable laws in relation to the activities completed by the Optionee or on the Optionee's behalf during the Option Period.

ARTICLE 6 JOINT VENTURE

6.1 Formation of Joint Venture

The parties shall, upon the exercise of the Second Option, be deemed to have formed a joint venture for the purposes of the continued exploration and exploitation of the Property.

6.2 Joint Venture Agreement

The parties shall use their reasonable commercial efforts to negotiate, settle upon, execute and deliver a joint venture agreement in respect of the Property on the terms and conditions normally provided for in commercial transactions of this nature that are mutually acceptable to the parties, acting in good faith, within sixty (60) days of the deemed formation of a joint venture; provided that, in the event the parties cannot, within sixty (60) days, reach an agreement on the terms of the joint venture, any such additional terms may be set by an arbitrator appointed pursuant to Article 11.

ARTICLE 7 ROYALTY INTEREST

7.1 Continued Obligation

If the Option is exercised and a joint venture created, the Optionee covenants and agrees to perform its obligations with respect to the payment of the Royalty as provided for in this Agreement.

7.2 Purchase of Royalty

If either of the First Option or the Second Option is exercised, the Optionee may within three (3) years of the Commencement of Commercial Production on any of the mineral claims comprising the Property elect by notice to the Optionors to purchase 50% (being 1%) percent of the Royalty from the Optionors for \$1,000,000 by way of certified cheque or bank draft within thirty (30) days of such election by the Optionee. In connection with the exercise of such right to elect, the Optionors shall execute and deliver such documents, agreements, transfers and quit claims as the solicitors for the Optionee may reasonably require.

ARTICLE 8 RESTRICTIONS ON ASSIGNMENT

8.1 General

Neither the Optionee nor the Optionors (in this Article 8, a "**Disposing Party**") shall sell, assign, transfer, convey or otherwise dispose of or deal with or agree to sell, assign, transfer, convey or otherwise dispose of or deal with less than all of its rights and interests in or with respect to this Agreement, the Property or under or by virtue of this Agreement and neither may sell, assign, transfer, convey or otherwise dispose of or deal with the whole of such rights and interests unless it shall first give to the other Party (in this Article 8, the "**Other Party**") thirty (30) days' prior notice (in this Article 8, the "**Notice Period**") of the price and terms on which the Disclosing Party would be willing to sell such rights and interests and the Other Party shall be entitled by notice in writing to the Disposing Party within the Notice Period to acquire the whole of such rights and interests at the price and on the terms stated in the notice. If the Other Party does not elect in writing within the Notice Period to acquire such rights and interests, the Disposing Party may transfer the whole of such rights and interests to any person within the following one-hundred and twenty (120) days at a price at or above the price stated in the notice and upon terms and conditions not less favourable to the Disposing Party than those contained in the notice. For purposes of this Section 8.1, the consideration for the rights and interests to be sold shall be an amount payable in Canadian or United States dollars, unless the parties otherwise agree. If the Disposing Party fails to consummate the transfer within the said one-hundred and twenty (120) days, the pre-emptive right of the Other Party shall be deemed to be revived and any subsequent proposal to sell, assign, transfer, convey or otherwise dispose of rights or interests hereunder shall again be subject to the provisions of this Section 8.1.

8.2 Exception

The Disposing Party shall have the right without restriction under Section 8.1 to assign, transfer, convey or otherwise dispose of all its rights and interests to an Affiliate. Any assignment, transfer or conveyance by a Disposing Party of its rights and interests in or with respect to this Agreement, the Property or under or by virtue of this Agreement, including under Section 8.1, shall be void unless the assignee has first agreed in writing with the Other Party to observe and be bound by all of the provisions of this Agreement in the place and stead of the Disposing Party. Upon such assignment, transfer or conveyance, the Disposing Party shall be relieved and discharged from all of its obligations under this Agreement.

ARTICLE 9 FORCE MAJEURE

9.1 Events

No party shall be liable for its failure to perform any of its obligations under this Agreement due to a cause beyond its reasonable control (except those caused by its own lack of funds) including, acts of God, fire, storm, flood, explosion, strikes, lockouts or other industrial disturbances; acts of public enemy, war, riots, civil strife, insurrection, rebellion or disobedience on behalf of any third party or group; other actions by citizen groups, including but not limited to environmental organizations or native rights groups; inability to obtain on reasonably acceptable terms any public or private license, permit or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of environmental protection laws; other laws, rules and regulations or orders of any duly constituted governmental authority, or non-availability of materials or transportation (in this Article 9, each an "**Intervening Event**").

9.2 Effect of Force Majeure

All time limits imposed by this Agreement (including, without limitation, the time within which Expenditures are to be made) shall be extended by a period equivalent to the period of delay resulting from the Intervening Event.

9.3 Notice

A party relying on the provisions of Section 9.1, insofar as possible, shall promptly give written notice to the other party of the particulars of the Intervening Event, shall give written notice to the other party as soon as the Intervening Event ceases to exist, shall take all reasonable steps to eliminate any Intervening Event and shall perform its obligations under this Agreement as far as practicable, but nothing herein shall require such party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

ARTICLE 10 CONFIDENTIAL INFORMATION

10.1 Confidential Information

All information and data concerning or derived from activities carried out on the Property or derived in respect thereof, or related to the sale of product derived from the Property shall be confidential and shall not be disclosed or published by any party without the written consent of the other parties, but such consent in respect of the reporting of factual data shall not be unreasonably withheld, and shall not be withheld in respect of information required to be publicly disclosed pursuant to applicable securities or corporate legislation; provided that the foregoing provisions shall not apply to information which becomes part of the

public domain provided that it does not become part of the public domain by the actions of a party hereto. The provisions of this Section 10.1 shall apply for the term of this Agreement and for a period of three (3) years thereafter.

10.2 Exceptions

Nothing in this Section shall prevent a party from disclosing information to a third party for purposes of corporate reorganization, financing, review of materials, data and results by a consultant and like matters provided that such third party agrees to be bound by these provisions of confidentiality.

10.3 Public Disclosure

In the event a party is required pursuant to applicable securities or corporate legislation to publicly disclose information by way of a news release or similar disclosure, it shall provide one (1) Business Day's prior notice to the other party who shall have the right, acting reasonably, to make changes to the proposed dissemination of information. The party disclosing information must act reasonably and take into account such comments prior to the issuance of such information.

ARTICLE 11 ARBITRATION

11.1 Dispute

All questions or matters in dispute under this Agreement shall be submitted to arbitration in accordance with this Article 11.

11.2 Prior Notice

It shall be a condition precedent to the right of any party to submit any matter to arbitration pursuant to the provisions hereof that such party shall have given not less than ten (10) days' prior notice of its intention to do so to the other parties, together with particulars of the matter in dispute. On the expiration of said ten (10) day period, the party who gave such notice may proceed to refer the dispute to arbitration as provided in Section 11.3.

11.3 Conduct of Arbitration

The party desiring arbitration shall appoint one (1) arbitrator, and shall notify the other parties of such appointment, and the other parties shall, within fifteen (15) days after receiving such notice, either consent to the appointment of such arbitrator which shall then carry out the arbitration or appoint an arbitrator, and the two (2) arbitrators so named, before proceeding to act, shall, within thirty (30) days of the appointment of the last appointed arbitrator, unanimously agree on the appointment of a third arbitrator to act with them and be chairman of the arbitration herein provided for. If the other party shall fail to appoint an arbitrator within fifteen (15) days after receiving notice of the appointment of the first arbitrator, the first arbitrator shall be the only arbitrator. If the two (2) arbitrators appointed by the parties shall be unable to agree on the appointment of the Chairman, the Chairman shall be appointed under the provisions of the *Arbitration Act* (British Columbia). Except as specifically otherwise provided in this Section 11.3, the arbitration herein provided for shall be conducted in accordance with such Act. The Chairman, or in the case where only one (1) arbitrator is appointed, the single arbitrator, shall fix a time and place in Vancouver, British Columbia, for the purpose of hearing the evidence and representations of the parties, and he shall preside over the arbitration and determine all questions of procedure not provided for under such Act or this Article 11. After hearing any evidence and representations that the parties may submit, the single arbitrator, or the arbitrators, as the case may be, shall make an award and reduce the same to writing, and deliver

one (1) copy thereof to each of the parties. The expense of the arbitration shall be paid as specified in the award.

11.4 Continued Performance of Obligations

Notwithstanding any other provision hereunder, during the conduct of dispute resolution procedures pursuant to this Article 11, the parties shall continue to perform their respective obligations under this Agreement.

ARTICLE 12 AREA OF COMMON INTEREST

12.1 Area of Common Interest

An area of common interest (in this Article 12, the "**Area of Common Interest**") shall be deemed to comprise that area which is included within two (2) kilometers of the outermost boundary of the Property as at the Effective Date. Nothing in this Agreement shall cause the Area of Common Interest to be expanded.

12.2 Acquisitions within the Area

If at any time during the subsistence of this Agreement either of the Optionors or the Optionee (in this Article 12, the "**Acquiring Party**") stakes or otherwise acquires, directly or indirectly, any right to or interest in any mining claim, licence, lease, grant, concession, permit, patent, or other mineral property located wholly or partly within the Area of Common Interest, the Acquiring Party shall forthwith give written notice to the other party of that staking or acquisition, the total cost thereof and all details in the possession of that party with respect to the details of the acquisition, the nature of the property and the known mineralization.

12.3 Notice of Acquisition

The other party may, within thirty (30) days of receipt of the Acquiring Party's notice, elect, by written notice to the Acquiring Party, to require that the mineral properties and the right or interest acquired be included in and thereafter form part of the Property for all purposes of this Agreement.

12.4 Election and Reimbursement of Costs

If an affirmative election to require that the acquire form part of the Property is made pursuant to Section 12.3, the Optionee shall reimburse the Acquiring Party (if the Acquiring Party is either of the Optionors) for the cost of acquisition. If the Acquiring Party is the Optionee, it shall not be entitled to reimbursement of its costs of acquisition; however, all costs of acquisition shall be deemed to be part of the Expenditures to be incurred by the Optionee to earn an interest in the Property and shall be governed by the provisions of this Agreement.

12.5 Failure to Elect

If the other party does not make an election or makes a negative election pursuant to Section 12.3 within that period of thirty (30) days, the right or interest acquired shall not form part of the Property and the Acquiring Party shall be solely entitled thereto.

**ARTICLE 13
NOTICES**

13.1 General

Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and be sent by prepaid registered mail addressed to the party entitled to receive the same, or delivered to such party at the address for such party specified on the first page of this Agreement, or by electronic mail, return receipt requested, as follows:

(a) If to the Optionors at:

Brian William Scott
[Address redacted for confidentiality reasons]

Email: *[Redacted for confidentiality reasons]*

(b) If to the Optionee at:

79 Resources Ltd.
Suite 600 – 625 Howe Street
Vancouver, BC V6C 2T6

Attention: Gary Musil, President and Chief Executive Officer
Email: *[Redacted for confidentiality reasons]*

With a copy to:

Lotz & Company
Suite 1170 – 1040 West Georgia Street
Vancouver, BC V6E 4H1

Attention: Jonathan Lotz
Email: jlotz@lotzandco.com

All notices shall be effective and shall be deemed delivered (i) if by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next Business Day following delivery; (ii) if by electronic mail, on the next Business Day following confirmation of transmission of the Notice; and (iii) if by registered mail, on the third Business Day following the date it is posted; provided that if there is a mail strike, slowdown or other labour dispute which might affect delivery of the communication by mail, then the notices, consents, demands and requests shall be effective only if actually delivered.

13.2 Amending Addresses

Either party may at any time and from time to time notify the other party in accordance with this Article 13 of a change of address or electronic mail address, to which all notices shall be given to it thereafter until further notice in accordance with this Article 13.

ARTICLE 14 GENERAL

14.1 Entire Agreement

This Agreement constitutes the entire agreement between the parties and supersedes and replaces any preliminary or other agreement or arrangement, whether oral or written, express or implied, statutory or otherwise heretofore existing between the parties in respect of the subject matter of this Agreement.

14.2 Other Activities and Interests

This Agreement and the rights and obligations of the parties hereunder are strictly limited to the Property. Subject to Article 12, each party shall have the free and unrestricted right to enter into, conduct and benefit from business ventures of any kind whatsoever, whether or not competitive with the activities undertaken pursuant hereto, without disclosing such activities to the other party or inviting or allowing the other to participate.

14.3 Option Only

This Agreement provides for an option only and except as specifically provided otherwise, nothing herein contained shall be construed as creating a partnership arrangement between the parties or be construed as obligating the Optionee to do any acts or make any payments hereunder except as otherwise set forth, and any act or acts or payment or payments as may be made hereunder shall not be construed as obligating the Optionee to do any further act or make any further payment or payments.

14.4 Amendment and Waiver

This Agreement may not be amended or modified except by an instrument in writing signed by each of the parties. No consent hereunder or waiver of or with respect to any term or condition of this Agreement shall be effective unless it is in writing and signed by the consenting or waiving party. No consent or waiver expressed or implied by either party in respect of any breach or default by the other in the performance by such other of its obligations hereunder shall be deemed or construed to be a consent to or a waiver of any other breach or default.

14.5 Further Assurances

The parties shall promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent of this Agreement and to cooperate with each other and each other's counsel and other professional advisors in the preparation, execution and delivery of any and all documents or instruments necessary to give full force and effect to the terms and provisions set out herein and any other documents required to give effect hereto.

14.6 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable, in whole or in part, the remaining provisions shall nevertheless be and remain valid and subsisting and such remaining provisions shall be construed as if this Agreement had been executed without the illegal, invalid or unenforceable portion.

14.7 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

14.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the parties hereby attorn to the jurisdiction of the Court of British Columbia.

14.9 Time of the Essence

Time shall be of the essence of this Agreement.

14.10 Execution

This Agreement may be executed and delivered in any number of counterparts and by electronic transmission, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[Remainder of page intentionally left blank; signature page to follow.]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

SIGNED, SEALED and DELIVERED by)
BRIAN WILLIAM SCOTT in the)
presence of:)

"Mardell Martindale")

Signature)

Mardell Martindale)

Print Name)

[Redacted for confidentiality reasons])

Address)

[Redacted for confidentiality reasons])

)

)

Occupation)

SIGNED, SEALED and DELIVERED by)
STEVEN JEFFREY SCOTT in the)
presence of:)

"B. Fund")

Signature)

B. Fund)

Print Name)

[Redacted for confidentiality reasons])

Address)

[Redacted for confidentiality reasons])

)

)

Occupation)

"Brian William Scott"

BRIAN WILLIAM SCOTT

"Steven Jeffrey Scott"

STEVEN JEFFREY SCOTT

79 RESOURCES LTD.

Per:

"Gary Musil"

Authorized Signatory

SCHEDULE "A"

Attached to and forming part of the Louise Lake Option Agreement made as of July 8, 2019

DESCRIPTION OF THE PROPERTY

The following mineral claims are located in the Smithers area, north-central British Columbia, Omineca Mining Division:

Title No.	Owner	Map Sheet	Issue Date	Good To Date	Area (ha)
1058438	S. Scott (50%) B. Scott (50%)	093L	2018/Feb/07	2019/Nov/25	37.24
1064063	S. Scott (50%) B. Scott (50%)	093L	2018/Oct/26	2019/Oct/26	74.49
1064064	S. Scott (50%) B. Scott (50%)	093L	2018/Oct/26	2019/Oct/26	55.86
1064065	S. Scott (50%) B. Scott (50%)	093L	2018/Oct/26	2019/Oct/26	55.85
1065754	S. Scott (50%) B. Scott (50%)	093L	2019/Jan/14	2020/Jan/14	37.25
1065822	S. Scott (50%) B. Scott (50%)	093L	2019/Jan/17	2020/Jan/17	37.23
1065849	S. Scott (50%) B. Scott (50%)	093L	2019/Jan/18	2020/Jan/18	37.24
TOTAL:					335.16

SCHEDULE "B"

Attached to and forming part of the Louise Lake Option Agreement made as of July 8, 2019

NET SMELTER RETURNS ROYALTY

The Royalty which may be payable by the Optionee (in this Schedule, the "**Payor**") to the Optionors (in this Schedule, the "**Payees**") pursuant to Sections 3.1 and 7.1 of the above-referenced Agreement shall be calculated and payable to the Payees by the Payor in accordance with the provisions of this Schedule. Terms having defined meanings in the Agreement and used herein shall have the same meanings in this Schedule as ascribed to them in the Agreement unless otherwise specified or the context otherwise requires.

1. The Payor shall pay to the Payees a Royalty equal to 2% of the Net Value of all ores, minerals, metals and materials mined and removed from the Property and sold or deemed to have been sold by or for the Payor.
2. The Royalty shall be calculated and paid to the Payees, at such place or places as they shall advise the Payor, within thirty (30) days after the end of each calendar quarter. Smelter settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation shall be submitted with the payment.
3. For the purposes of this Schedule, the following words and phrases shall have the following meanings, namely:
 - (a) "**Gross Value**" means:
 - (i) the proceeds received by the Payor from sales of all Products; and
 - (ii) the proceeds of any insurance settlement arising from a claim for lost or damaged Products.
 - (b) "**Net Value**" means the Gross Value of Products, less all costs, charges and expenses paid or incurred by the Payor with respect to such Products paid or deemed to be incurred by the Payor before or after such Products leave the Property in respect of the following:
 - (i) charges for treatment in the smelting and refining process (including handling, processing, interest and provisional settlement fees, sampling, assaying and representation costs, penalties and other process deductions);
 - (ii) actual costs of transportation (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation) of Products from the Property to the place of treatment and then to the place of sale;
 - (iii) actual sales and brokerage costs on Products; and
 - (iv) sales, use, severance, net proceeds of mine and ad valorem taxes and any other tax (excluding GST, as applicable) on or measured by mineral production net of any rebate (excluding GST rebates, as applicable), credit or refund which the Payor has received or to which it is entitled, but excluding any and all taxes based upon the net or gross income or outstanding capital of the Payor or other operator of the Properties.

- (c) "**Ore**" shall mean any material containing base metals, rare earth elements and precious metals mined from the Property.
 - (d) "**Products**" shall mean Ore mined from the Property and any concentrates or other materials or products derived therefrom, but if any such Ore, concentrates or other materials or products are further treated as part of the mining operation in respect of the Property, such Ore, concentrates or other materials or products shall not be considered to be "**Products**" until after they have been so treated.
4. (a) For the purposes of calculating the amount of the Royalty payable to the Payees hereunder, if, after the Commencement of Commercial Production, the Payor sells any Product to one of its subsidiaries or Affiliates, and if the sale price of such Product is not negotiated on an arm's-length basis, the Payor shall for the purposes of calculating the Royalty only and notwithstanding the actual amount of such sale price, add to the proceeds from the sale of such Product an amount which would be sufficient to make such sale price represent a reasonable net sale price for such Product as if negotiated at arm's length and after taking into account all pertinent circumstances including, without limitation, then current market conditions relating to Ore, concentrates or products similar to such Product.
 - (b) The Payor shall by notice inform the Payees of the quantum of such reasonable net sale price and, if the Payees do not object thereto, within sixty (60) days after receipt of such notice, said quantum shall be final and binding for the purposes of this Schedule.
 5. The Payor may remove reasonable quantities of Ore and rock from the Property for the purpose of bulk sampling and of testing, and there shall be no Royalty payable to the Payees with respect thereto unless revenues are derived therefrom.
 6. The Payor shall have the right to commingle with Ore from the Property, ore produced from other properties, provided that prior to such commingling, the Payor shall adopt and employ reasonable practices and procedures for weighing, determination of moisture content, sampling and assaying, as well as utilize reasonable accurate recovery factors in order to determine the amounts of products derived from, or attributable to Ore mined and produced from the Property. The Payor shall maintain accurate records of the results of such sampling, weighing and analysis as pertaining to Ore mined and produced from the Property.
 7. Within one-hundred (120) days after the end of each fiscal year, commencing with the year in which Commencement of Commercial Production occurs, the accounts of the Payor relating to operations on the Property and the statement of operations, which shall include the statement of calculation of the Royalty for the year last completed, shall be audited by the auditors of the Payor at its expense. The Payees shall have forty-five (45) days after receipt of such statements to question the accuracy thereof in writing and, failing such objection, the statements shall be deemed to be correct and unimpeachable thereafter.
 8. If such audited financial statements disclose any underpayment of the Royalty by the Payor during the year, the amount thereof shall be paid to the Payees forthwith after determination thereof.
 9. The Payor shall maintain for each mining operation on the Property, up-to-date and complete records relating to the production and sale the Products from the Property, including accounts, records, statements and returns relating to treatment and smelting arrangements of such product, and the Payees or their agents shall have the right at all reasonable times, including for a period of twelve (12) months following the expiration or termination of the Agreement, to inspect such records, statements and returns and make copies thereof at its own expense for the purpose of verifying the amount of the Royalty payments to be made by the Payor to the Payees pursuant to

the Agreement. The Payees shall have the right to have such accounts audited by independent auditors at its own expense once each fiscal year.

10. The Payor may, but need not, engage in forward sales, futures trading or commodity options trading, and other price hedging, price protection, and speculative arrangements (in this Schedule, the "**Trading Activities**") which may involve the possible delivery of base or precious metals produced from the Property. The parties acknowledge and agree that the Payees shall not be entitled to participate in the proceeds or be obligated to share in any losses generated by the Trading Activities.
11. The Payees shall deliver to the Payor a document executed by all parties to which the Royalty is payable from time to time, appointing, a single agent or trustee of all such parties to whom the Payor shall make all payments on account of the Royalty. The Payor shall have no responsibility as to the division of the Royalty payments among such parties, and if the Payor makes a payment or payments on account of the Royalty in accordance with the provisions of this Section 11, it shall be conclusively deemed that such payment or payments have been received by the parties entitled thereto. All charges of the agent or trustee shall be borne solely by the parties receiving payments on account of the Royalty.
12. The Payor shall not sell, assign, transfer or in any other manner deal with the Property or any interest therein without the new optionee, transferee or assignee acquiring the Property or such interest therein first agreeing with the Payees in writing to be bound by the terms of this Schedule.
13. Any dispute arising out of or related to any report, payment, calculation or audit in respect of this Schedule shall be resolved solely by the arbitration procedure provided in the Agreement.
14. The term of the Royalty shall be 99 years or until it is terminated by mutual agreement, whichever is the earlier.